

Kentucky Horse Racing and Gaming Corporation

Meeting Materials for Special Meeting

May 20, 2025



HORSE RACING AND
GAMING CORPORATION



Kentucky Horse Racing and Gaming Corporation

Andy Beshear, Governor

Jamie Eads, President & CEO

MEETING NOTICE

Contact: Travers Manley
SVP, Gaming and Media Relations
travers.manley@ky.gov

Special Meeting of the Kentucky Horse Racing and Gaming Corp. Set for Tuesday, May 20

LEXINGTON, KY. (May 19, 2025) – The Kentucky Horse Racing and Gaming Corporation will hold a video teleconference meeting at 1:00 p.m. on Tuesday, May 20, 2025, at their office located within the Kentucky Horse Park at 4047 Iron Works Parkway, Lexington, KY 40511. This meeting will be livestreamed and can be viewed live at <https://www.youtube.com/@KentuckyHorseRacingGamingCorp>.

The agenda follows:

I. Call to Order and Roll Call

II. New Business

1. Proposed Amendments to 810 KAR 6:001
2. 2025 KTDF Allotment Requests as Submitted and Approved by the KTDF Advisory Committee on 5/7/2025
3. Request to Procure Independent Audit Services for Fiscal Year 2025
4. Fiscal Year 2026 Budget Overview – Informational Only
5. Request for Stay in *Bates v. KHRGC*, *KHRGC-25-SB-001*
6. Request for Stay in *White V. KHRGC*, *KHRGC-25-SB-002*

III. Executive Session

During the meeting on May 20, 2025, the Board will go into closed session pursuant to KRS 61.810(1) (c) to discuss pending litigation. (*CONFIDENTIAL*)

IV. Other Business

1. Kentucky Horse Racing & Gaming Corp.'s Order on Request for Stay in *Bates v. KHRGC, KHRGC-25-SB-001*
2. Kentucky Horse Racing & Gaming Corp.'s Order on Request for Stay in *White V. KHRGC, KHRGC-25-SB-002*

V. Adjournment

NOTICE is hereby given pursuant to KRS 61.826 that the meeting of the Kentucky Horse Racing and Gaming Corporation on May 20, 2025, at 1:00 p.m. will be held using video teleconference. The public and the media may view the meeting at the primary physical location for the meeting at Kentucky Horse Racing & Gaming Corporation, 4047 Iron Works Pkwy., Lexington, KY 40511 or via the livestream.

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Andy Beshear
GOVERNOR

Jacqueline Coleman
LIEUTENANT GOVERNOR

KENTUCKY HORSE RACING & GAMING CORPORATION

4047 Iron Works Parkway
Lexington, KY 40511
Phone: (859) 246-2040
Fax: (859) 246-2039

Jamie Eads
PRESIDENT & CEO

Jonathan Rabinowitz
CHAIRMAN

TO: Kentucky Horse Racing and Gaming Corporation
FROM: Ashleigh Bailey, Chief Legal Officer
DATE: May 13, 2025
RE: **PROPOSED AMENDMENTS TO 810 KAR 6:001**

On April 1, 2025, the Kentucky Horse Racing and Gaming Corporation Rules Committee recommended the KHRGC Board approve the following amendments to 810 KAR 6:001. A copy of the regulation with the proposed changes is enclosed.

810 KAR 6:001, Section 1: Definitions

- Edit the definition of "Historical Horse Race" in (38)(a) to state "Was previously run at a licensed pari-mutuel facility located in the United States or a pari-mutuel facility approved by the KHRGC located outside the United States".
- Delete the definition of "Initial Seed Pool" in (41).

BOARD ACTION

_____ Approve

_____ Defer

_____ Deny

1 KENTUCKY HORSE RACING AND GAMING CORPORATION

2 (Amendment)

3 810 KAR 6:001. Definitions for 810 KAR Chapter 6.

4 RELATES TO: KRS Chapter 23013

5 STATUTORY AUTHORITY: KRS 230.215(2), 230.260(8), 230.361(1), 230.370

6 CERTIFICATION STATEMENT: This is to certify that this administration regulation complies
7 with the requirements of 2025 RS HB6, Section 8.

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 230.215(2) authorizes the Kentucky
9 Horse Racing and Gaming Corporation to regulate conditions under which horse racing shall be
10 conducted in Kentucky. KRS 230.260(8) authorizes the corporation to prescribe necessary and
11 reasonable administrative regulations and conditions under which horse racing at a horse race
12 meeting shall be conducted in Kentucky. KRS 230.361(1) requires the corporation to promulgate
13 administrative regulations governing and regulating pari-mutuel wagering on horse races under
14 the pari-mutuel system of wagering. This administrative regulation defines the terms used in 810
15 KAR Chapter 6.

16 Section 1. Definitions.

17 (1) "Added money" means:

18 (a) Cash, exclusive of trophy or other award, added by the association to stakes fees paid by
19 subscribers to form the total purse for a stakes race; or

20 (b) In the context of pari-mutuel wagering, any amounts provided by an association in addition
21 to the amounts wagered by patrons and any carryover amounts.

- 1 (2) "Age" means the number of years since a horse was foaled, reckoned as if the horse was
2 foaled on January 1 of the year in which the horse was foaled.
- 3 (3) "Appaloosa horse" means a horse duly registered with the Appaloosa Horse Club, Inc.,
4 Moscow, Idaho.
- 5 (4) "Appaloosa racing" is defined by KRS 230.210(3).
- 6 (5) "Arabian horse" means "arabian" as defined by KRS 230.210.
- 7 (6) "Arrears" means all sums due by a licensee as reflected by his or her account with the
8 horsemen's bookkeeper, including subscriptions, jockey fees, forfeitures, and any default incident
9 to 810 KAR Chapter 6.
- 10 (7) "Association" is defined by KRS 230.210(5).
- 11 (8) "Authorized agent" means any person currently licensed as an agent for a licensed owner or
12 jockey by virtue of notarized appointment of agency filed with the corporation.
- 13 (9) "Betting interest" means a single horse, or more than one (1) horse joined as a mutuel entry
14 or joined in a mutuel field, on which a single pari-mutuel wager can be placed.
- 15 (10) "Bleeder" means any horse known to have bled internally or from its nostrils during a
16 workout or race.
- 17 (11) "Breakage" means the net pool minus payout.
- 18 (12) "Breeder" means the owner of the dam of a horse when the horse was foaled. A horse is
19 "bred" at the place of its foaling.
- 20 (13) "Calendar days" means consecutive days counted irrespective of number of racing days.
- 21 (14) "Carryover" means nondistributed pool monies that are retained and added to a
22 corresponding pool in accordance with 810 KAR 6:020.

1 (15) "Claiming race" means any race in which every horse running in the race can be transferred
2 in conformity with 810 KAR 4:050.

3 (16) "Closing" means the time published by the association after which entries for a race will not
4 be accepted by the racing secretary.

5 (17) "Commission" means: If used in the context of pari-mutuel wagering, the amount an
6 association is authorized to withhold from a pari-mutuel wager pursuant to KRS 230.3615, KRS
7 230.750, and KAR Title 810. This meaning can also refer to "takeout" as defined by subsection
8 (83) of this section.

9 (18) "Communications Technology" means the methods used and the components employed to
10 facilitate the transmission of information, such as electronic communications, and transmission
11 and reception systems based on wire, cable, radio, microwave, light, optics, or computer data
12 networks or any similar electronic agent.

13 (19) "Control Program" means any software, source language, or executable code that controls
14 the entertaining award display, such as software, source language, or executable code associated
15 with:

16 (a) Race selection or related events;
17 (b) Accounting and reporting meter and log information;
18 (c) Operation of totalizators; and
19 (d) Any other processes established in the internal controls or as approved by the corporation.

20 (20) "Corporation" means "Kentucky Horse Racing and Gaming Corporation".

21 (21) "Day" means any twenty-four (24) hour period beginning at 12:01 a.m. and ending at
22 midnight.

1 (22) "Dead heat" means a finish of a race in which the noses of two (2) or more horses reach the
2 finish line at the same time.

3 (23) "Declaration" means the withdrawal of a horse entered in a race prior to time of closing of
4 entries for the race in conformance with 810 KAR Chapter 6.

5 (24) "Designated area" means any enclosed area that the corporation has approved for the
6 location of terminals used for wagering on historical horse races.

7 (25) "Disciplinary action" means action taken by the stewards or the corporation for a violation
8 of KRS Chapter 230 or KAR Title 810 and can include:

9 (a) Refusal to issue or renew a license;
10 (b) Revocation or suspension of a license;
11 (c) Imposition of probationary conditions on a license;
12 (d) Issuance of a written reprimand or admonishment;
13 (e) Imposition of fines or penalties;
14 (f) Denial of purse money;
15 (g) Forfeiture of purse money; or
16 (h) Any combination of paragraphs (a) through (g) of this subsection.

17 (26) "Disqualification" means a ruling of the stewards or the corporation revising the order of
18 finish of a race.

19 (27) "Driver" means a person who is licensed to drive a horse in a harness race.

20 (28) "Entertaining Award Display" or "Interactive Award Display" means an entertaining system
21 utilizing mechanical or digital components to display the outcome of a pari-mutuel wager through
22 the use of spinning reels, wheels, games, or other types of interactive components that are
23 represented by animations or audio cues. An Entertaining or Interactive Award Display is

1 connected to a totalizator approved by the corporation. Entertaining or interactive displays are
2 only used in conjunction with pari-mutuel wagering on a historical horse race or races.

3 (29) "Entry" means the act of nominating a horse for a race in conformance with KAR Title 810.

4 (30) "Equipment" means:

5 (a) Accoutrements other than ordinary saddle, girth, pad, saddle cloth, and bridle carried by a
6 horse, and includes whip, blinkers, tongue strap, muzzle, hood, noseband, bit, shadow roll,
7 martingale, breast plate, bandages, boots, and racing plates or shoes; or

8 (b) Racing, system components or other equipment found suitable by the corporation or its
9 designee that is required to operate entertaining or interactive award displays and interactive
10 terminals.

11 (31) "Exhibition race" means a race between horses of diverse ownership for which a purse is
12 offered by the association, but on which pari-mutuel wagering is not permitted.

13 (32) "Exotic wager" means any pari-mutuel wager placed on a live or historical horse race or
14 races other than a win, place, or show wager placed on a live horse race.

15 (33) "Field" or "mutuel field" means a single betting interest involving more than one (1) horse
16 that is not a mutuel entry.

17 (34) "Forfeit" means money due by a licensee because of an error, fault, neglect of duty, breach
18 of contract, or alternative ruling of the stewards or the corporation.

19 (35) "Free handicap" means a handicap for which a nominating fee is not required to be weighted,
20 but an entrance or starting fee can be required for starting in the race.

21 (36) "Handicap race" means a race in which the weights to be carried by the horses are assigned
22 by the association handicapper with the intent of equalizing the chances of winning for all horses
23 entered in the race.

1 (37) "Handle" means the aggregate of all pari-mutuel pools, excluding refundable wagers.

2 (38) "Historical horse race" means any horse race that:

3 (a) Was previously run at a licensed pari-mutuel facility located in the United States or a pari-

4 mutuel facility approved by the KHRGC located outside the United States;

5 (b) Concluded with official results; and

6 (c) Concluded without scratches, disqualifications, or dead-heat finishes.

7 (39) "Horse" means any equine (including and designated as a mare, filly, stallion, colt, ridgeling,

8 or gelding).

9 (40) "Ineligible" means a horse or person not qualified under 810 KAR Chapter 6 or conditions

10 of a race to participate in a specified racing activity.

11 [~~(41) "Initial seed pool" means a nonrefundable pool of money that can be funded by an~~

12 ~~association in order to ensure that a patron will be paid the minimum amount required on a~~

13 ~~winning wager on an historical horse race in the event of a minus pool.]~~

14 ~~(41)~~[(42)] "Interactive terminal" or "HHR terminal" means "terminal" as defined by subsection

15 (89)(b) of this section.

16 ~~(42)~~[(43)] "Internal controls," "minimum internal control standards," or "control standards"

17 means the system of internal procedures, as well as administrative and accounting controls related

18 to the integrity of pari-mutuel wagering. This type of system can be required by the corporation

19 as a condition to conduct live horse racing, simulcasting, and pari-mutuel wagering.

20 ~~(43)~~[(44)] "Jockey" means a rider currently licensed to ride in races other than harness races as a

21 jockey, apprentice jockey, amateur jockey, or a provisional jockey permitted by the stewards to

22 ride in three (3) races prior to applying for a license.

1 ~~(44)~~~~(45)~~ "Judge" means a duly appointed racing official with powers and duties established in
2 810 KAR 2:050 serving at a current meeting in the Commonwealth.

3 ~~(45)~~~~(46)~~ "Lessee" means a licensed owner whose interest in a horse is a leasehold.

4 ~~(46)~~~~(47)~~ "Licensed premises" is defined by KRS 230.210.

5 ~~(47)~~~~(48)~~ "Licensee" means an individual, firm, association, partnership, corporation, trustee, or
6 legal representative that has been duly issued a currently valid license to participate in racing in
7 the Commonwealth.

8 ~~(48)~~~~(49)~~ "Maiden" means a horse that has never won a race on the flat at a recognized meeting
9 in any country. A maiden that was disqualified after finishing first remains a maiden. Race
10 conditions referring to maidens are interpreted as meaning maidens at the time of starting.

11 ~~(49)~~~~(50)~~ "Match race" means a race that is between two (2) horses and for which other horses
12 are not eligible.

13 ~~(50)~~~~(51)~~ "Meeting" means the entire period of consecutive days, exclusive of dark days, granted
14 by the corporation to a licensed association for the conduct of live horse racing that:

15 (a) Begins at 10 a.m. of the first racing day; and

16 (b) Extends through a period ending one (1) hour after the last scheduled race of the last day.

17 ~~(51)~~~~(52)~~ "Minus pool" means a pari-mutuel pool in which the amount of money to be distributed
18 on winning wagers exceeds the amount of money contained in that pari-mutuel pool.

19 ~~(52)~~~~(53)~~ "Month" means calendar month.

20 ~~(53)~~~~(54)~~ "Mutuel entry" means a single betting interest involving two (2) or more horses entered
21 in the same race and joined for pari-mutuel purposes because of common ties as to ownership or
22 training so that a wager on one (1) horse joined in a mutuel entry is a wager on all horses joined
23 in the same mutuel entry.

1 (54)[(55)] "Net pool" means the total amount wagered less refundable wagers and takeout.

2 (55)[(56)] "Nomination" means a subscription or entry of a horse in a stakes or early closing race.

3 (56)[(57)] "Nominator" means the person in whose name a horse is entered for a race.

4 (57)[(58)] "Owner" means any person who holds, in whole or in part, any right, title, or interest
5 in a horse, or any lessee of a horse, who has been duly issued a currently valid owner's license as
6 a person responsible for the horse.

7 (58)[(59)] "Pari-mutuel wagering," "mutuel wagering", or "pari-mutuel system of wagering" is
8 defined by KRS 230.210.

9 (59)[(60)] "Pari-mutuel pool" means any pool into which pari-mutuel wagers made by patrons
10 are placed. For every wager placed into a pari-mutuel pool by a patron, that patron is eligible to
11 receive at least a minimum payout on a winning wager.

12 (60)[(61)] "Patron" means an individual present at a track, licensed premises, or a simulcast
13 facility who observes or wagers on live or historical horse races.

14 (61)[(62)] "Payout" means the amount of the net pool payable to an individual patron on his or
15 her winning wager.

16 (62)[(63)] "Place," if used in the context of a single position in the order of finish in a race, means
17 second; if used in the context of pari-mutuel wagering, a "place" wager means one involving a
18 payoff on a betting interest that finished first or second in a race; or if used in the context of
19 multiple positions in the order of finish in a race, "place or placing" means finishing first or
20 second.

21 (63)[(64)] "Player-funded pool" means a pool of money funded by patrons wagering on a live or
22 historical horse race or races that is only used to ensure that a patron will receive a payout on a
23 winning wager in the event of a "minus pool" as defined in this administrative regulation.

1 (64)[~~(65)~~] "Post" means the starting point of a race.

2 (65)[~~(66)~~] "Post position" means the relative place assigned to each horse, numbered from the
3 inner rail across the track at the starting line, from which each horse is to start a race.

4 66[~~(67)~~] "Post time" means the advertised moment scheduled for the arrival of all horses at the
5 starting point for a race.

6 67[~~(68)~~] "Prize" means the combined total of any cash, premium, trophy, and object of value
7 awarded to the owners of horses according to order of finish in a race.

8 68[~~(69)~~] "Purse" means the gross cash portion of the prize for which a race is run.

9 69[~~(70)~~] "Quarter horse" is defined by KRS 230.210.

10 70[~~(71)~~] "Purse race" means any race for which entries close at a time designated by the racing
11 secretary, and for which owners of horses entered are not required by its conditions to contribute
12 money toward its purse.

13 71[~~(72)~~] "Race" means a running contest between horses, ridden by jockeys or driven by drivers,
14 over a prescribed course free of obstacles or jumps, at a recognized meeting, during regular racing
15 hours, for a prize.

16 72[~~(73)~~] "Race day" means any period of twenty-four (24) hours beginning at 12:01 a.m. and
17 ending at midnight in which live racing is conducted by an association.

18 73[~~(74)~~] "Racing official" means a corporation member, corporation staff as duties require, and
19 all association racing department employees, as duties require.

20 74[~~(75)~~] "Recognized meeting" means any meeting with regularly scheduled live horse races for
21 thoroughbreds on the flat, licensed by and conducted under administrative regulations
22 promulgated by a governmental regulatory body, to include foreign countries that are regulated

1 by a racing authority that has reciprocal relations with The Jockey Club and whose race records
2 can be provided to an association by The Jockey Club.

3 75[(76)] "Registration certificate" means, with respect to thoroughbreds:

4 (a) The document issued by The Jockey Club certifying the name, age, color, sex, pedigree, and
5 breeder of a horse as registered by number with The Jockey Club; or

6 (b) The document known as a "racing permit" issued by The Jockey Club in lieu of a registration
7 certificate if a horse is recognized as a thoroughbred for racing purposes in the United States,
8 but is not recognized as a thoroughbred for breeding purposes insofar as registering its progeny
9 with the Jockey Club.

10 76[(77)] "Result" means the part of the official order of finish in a race used to determine the
11 pari-mutuel payoff of pari-mutuel pools.

12 77[(78)] "Rulings" means all determinations, decisions, or orders of the stewards or of the
13 corporation duly issued in writing and posted.

14 78[(79)] "Scratch" means the withdrawal of a horse entered for a race after the time of closing of
15 entries for the race in conformance with KAR Title 810.

16 79[(80)] "Scratch time" means the time set by the racing secretary as a deadline for horsemen to
17 indicate their desire to scratch out of a race.

18 80[(81)] "Secretary" means the duly appointed and currently serving secretary of the corporation.

19 81[(82)] "Simulcasting" is defined by KRS 230.210.

20 82[(83)] "Specimen" means a sample of blood, urine, or other biologic sample taken or drawn
21 from a horse for chemical testing.

22 83[(84)] "Stakes" means all fees:

1 (a) Paid by subscribers to an added-money or stakes race for nominating, eligibility, entrance,
2 or starting, as required by the conditions of the race; and

3 (b) Included in the purse.

4 84[(85)] "Stakes race" means a race that closes more than seventy-two (72) hours in advance of
5 its running and for which subscribers contribute money towards its purse, or a race for which
6 horses are invited by an association to run for a guaranteed purse of \$50,000 or more without
7 payment of stakes. With the exception of stakes races in North America, "stakes race" excludes
8 races not listed by The Jockey Club Information System International Cataloguing Standards,
9 Part One (1).

10 85[(86)] "Starter" means a horse in a race when the starting-gate doors open in front of it at the
11 moment the starter dispatches the horses for a race.

12 86[(87)] Steward" means a duly appointed racing official with powers and duties specified in 810
13 KAR 2:040 serving at a current meeting in the Commonwealth.

14 87[(88)] "Subscription" means nomination or entry of a horse in a stakes race.

15 88[(89)] "Takeout" means "commission" as defined by subsection (17)(b) of this section

16 89[(90)] "Terminal" means:

17 (a) Any corporation approved self-service device or other totalizator-based peripheral
18 equipment used by a patron to place a pari-mutuel wager on a live or historical horse race or
19 races; or

20 (b) Any corporation approved mechanical, electrical, or other device, contrivance, or machine
21 that, upon funding of any pari-mutuel wager on a historical horse race or races, is capable of
22 placing a pari-mutuel wager on that historical horse race or races. These devices can provide
23 handicapping methods approved by the corporation, in addition to manual handicapping. In the

1 event of a winning wager, a terminal displays and either delivers or entitles the patron to receive
2 a payout pursuant to 810 KAR 6:030. Payouts are issued by the terminal itself or by the licensed
3 association approved to operate the interactive terminal and related pari-mutuel pool.

4 90[(91)] "Thoroughbred racing" is defined by KRS 230.210.

5 91[(92)] "Totalizator" means the system, including hardware, software, communications
6 equipment, and electronic devices that accepts and processes the cashing of wagers, calculates
7 the odds and prices of the wagers, and records, displays, and stores pari-mutuel wagering
8 information.

9 92[(93)] "Unplaced" means a horse that finishes a race outside the pari-mutuel payoff.

10 93[(94)] "Wagering pool" means "pari-mutuel pool" as defined by this administrative regulation.

11 94[(95)] "Walkover" means a race in which the only starter or all starters represent single
12 ownership.

13 95[(96)] "Weigh in" means the presentation of a jockey to the clerk of scales for weighing after
14 a race.

15 96[(97)] "Weigh out" means the presentation of a jockey to the clerk of scales for weighing prior
16 to a race.

17 97[(98)] "Weight for age" means the standard assignment of pounds to be carried by horses in
18 races at specified distances during specified months of the year, scaled according to the age of
19 the horse as established in 810 KAR 4:020.

20 98[(99)] "Workout" means the training exercise of a horse on the training track or main track of
21 an association during which the horse is timed for speed over a specified distance.

22 99[(100)] "Year" means twelve (12) consecutive months beginning with January and ending with
23 December.

1 Section 2. Severability. If any provision or administrative regulation of this chapter is found to be
2 invalid, the remaining provisions of this chapter shall not be affected nor diminished thereby.
3 (KSRC Ch. 1, 1.01 to .64; 1 Ky.R. 891; eff. 5-14-1975; 10 Ky.R. 652; eff. 3-1-1984; 15 Ky.R.
4 2277; 16 Ky.R. 163; eff. 7-14-1989; 18 Ky.R. 1977; eff. 2-19-1992; 24 Ky.R. 2445; 25 Ky.R. 852;
5 eff. 10-12-1998; TAm eff. 8-9-2007; 37 Ky.R. 825; 2852; eff. 7-1-2011; 46 Ky.R. 2738; 47 Ky.R.
6 64; eff. 7-30-2020; Recodified from 810 KAR 1:001, 2-24-2021; 2138; 48 Ky.R. 359; eff. 8-12-
7 2021; 1929; 2416; eff. 5-31-2022; TAm eff. 7-1-2024.)

810 KAR 6:001

READ AND APPROVED

Date

PUBLIC HEARING AND PUBLIC COMMENT PERIOD

A public hearing on this administrative regulation shall be held on {Month ##, 2022}, at {time}, at {location of the meeting}. Individuals interested in being heard at this hearing shall notify this agency in writing by five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing was received by that date, the hearing may be cancelled. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through {Month ##, 2022}. Send written notification of intent to be heard at the public hearing or written comments on the proposed administrative regulation to the contact person.

Contact Person: Ashleigh Bailey

Title: General Counsel

Address: Kentucky Horse Racing & Gaming Corporation, 4047 Iron Works Parkway,
Lexington, Kentucky 40511

Phone: (859) 246-2040

Fax: (859) 246-2039

Email: Ashleigh.Bailey@ky.gov

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

810 KAR 6:001

Contact Person: Ashleigh Bailey

Phone: (859) 246-2040

Email: Ashleigh.Bailey@ky.gov

- (1) Provide a brief summary of:
 - (a) What this administrative regulation does:
 - (b) The necessity of this administrative regulation:
 - (c) How this administrative regulation conforms to the content of the authorizing statutes:
 - (d) How this administrative regulation currently assists or will assist in the effective administration of the statutes:

- (2) If this is an amendment to an existing administrative regulation, provide a brief summary of:
 - (a) How the amendment will change this existing administrative regulation:
 - (b) The necessity of the amendment to this administrative regulation:
 - (c) How the amendment conforms to the content of the authorizing statutes:
 - (d) How the amendment will assist in the effective administration of the statutes:

- (3) List the type and number of individuals, businesses, organizations, or state and local governments affected by this administrative regulation:

- (4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:
 - (a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment:
 - (b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3):
 - (c) As a result of compliance, what benefits will accrue to the entities identified in question (3):

- (5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:
 - (a) Initially:
 - (b) On a continuing basis:

- (6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation:

- (7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment:

(8) State whether or not this administrative regulation establishes any fees or directly or indirectly increases any fees:

(9) TIERING: Is tiering applied? (Explain why or why not)

FISCAL IMPACT STATEMENT

810 KAR 6:001

Contact Person: Ashleigh Bailey

Phone: (859) 246-2040

Email: Ashleigh.Bailey@ky.gov

(1) Identify each state statute, federal statute, or federal regulation that requires or authorizes the action taken by the administrative regulation: *{Response}*

(2) State whether this administrative regulation is expressly authorized by an act of the General Assembly, and if so, identify the act: *{Response}*

(3)(a) Identify the promulgating agency and any other affected state units, parts, or divisions: *{Response}*

(b) Estimate the following for each affected state unit, part, or division identified in (3)(a):

1. Expenditures:

For the first year: *{Response}*

For subsequent years: *{Response}*

2. Revenues:

For the first year: *{Response}*

For subsequent years: *{Response}*

3. Cost Savings:

For the first year: *{Response}*

For subsequent years: *{Response}*

(4)(a) Identify affected local entities (for example: cities, counties, fire departments, school districts): *{Response}*

(b) Estimate the following for each affected local entity identified in (4)(a):

1. Expenditures:

For the first year: *{Response}*

For subsequent years: *{Response}*

2. Revenues:

For the first year: *{Response}*

For subsequent years: *{Response}*

3. Cost Savings:

For the first year: *{Response}*

For subsequent years: *{Response}*

(5)(a) Identify any affected regulated entities not listed in (3)(a) or (4)(a): *{Response}*

(b) Estimate the following for each regulated entity identified in (5)(a):

1. Expenditures:

For the first year: *{Response}*

For subsequent years: *{Response}*

2. Revenues:

For the first year: *{Response}*

For subsequent years: *{Response}*

3. Cost Savings:

For the first year: *{Response}*

For subsequent years: *{Response}*

(6) Provide a narrative to explain the following for each entity identified in (3)(a), (4)(a), and (5)(a):

(a) Fiscal impact of this administrative regulation: *{Response}*

(b) Methodology and resources used to reach this conclusion: *{Response}*

(7) Explain, as it relates to the entities identified in (3)(a), (4)(a), and (5)(a):

(a) Whether this administrative regulation will have a “major economic impact”, as defined by KRS 13A.010(13): *{Response}*

(b) The methodology and resources used to reach this conclusion: *{Response}*



Andy Beshear
GOVERNOR

Jamie Eads
PRESIDENT & CEO

Jacqueline Coleman
LIEUTENANT GOVERNOR

KENTUCKY HORSE RACING & GAMING CORPORATION

4047 Iron Works Parkway
Lexington, KY 40511
Phone: (859) 246-2040
Fax: (859) 246-2039

Jonathan Rabinowitz
CHAIRMAN

TO: Kentucky Horse Racing and Gaming Corporation
FROM: Drew Conners, Director of Incentives & Development
DATE: May 12, 2025
RE: **2025 KTDF ALLOTMENT REQUESTS AS SUBMITTED AND APPROVED BY THE KTDF ADVISORY COMMITTEE ON 5/7/2025**

The KTDF Advisory Committee met on Wednesday, May 7, 2025, and approved the following KTDF Allotment Requests.

- Kentucky Downs' \$2.25 Million KTDF Transfer to Ellis Park to use for KTDF purses during their 2025 race meet.
- 2025 Ellis Park's KTDF Allotment Request for purses in the range of \$7 million to \$8 million dollars, including the use of \$115,000 to promote the race meet in accordance with KRS.230.400.

A summary of all details pertaining to these requests follows this memorandum.

The KTDF Advisory Committee along with Kentucky HBPA and KTA-KTOB recommend KHRGC Board approval.

KHRGC staff recommends approval.

BOARD ACTION

_____ Approve

_____ Defer

_____ Deny

Summary of KTDF Allotment Requests at the May 7, 2025, KTDF Advisory Committee Meeting

Kentucky Downs' KTDF Transfer to Ellis Park

In accordance with 810 KAR 7:030, Section 3(3)(c), Kentucky Downs has requested to transfer \$2.25 million dollars in KTDF funds to Ellis Park to be used during their 2025 race meet.

2025 Ellis Park's KTDF Allotment Request

The KTDF purse structure for Ellis Parks' 2025 race meet will consist of 25 racing days beginning Thursday, July 3, 2025, and ending Monday, August 25, 2025. Ellis Park plans to card KTDF purses in the range of \$7 million to \$8 million dollars. These projections are based on a KTDF earned balance of \$332,826 at the conclusion of their 2024 race meet, anticipated earnings totaling \$3.4 million from historical horse racing from both Ellis Park and their new facility, Owensboro Racing & Gaming, the \$2.25 million transfer from Kentucky Downs, and an additional \$1.75 million from their sister property, Oak Grove. To encourage participation during the meet, Ellis Park will pay out KTDF purses through last place to all eligible KTDF registered horses.

2025 Ellis Park's KTDF Advertising Allotment Request

In accordance with KRS.230.400, Ellis Park is requesting the use of \$115,000 in KTDF to promote, enhance, improve and encourage the further and continued development of the Kentucky Thoroughbred breeding and racing industry in Kentucky during their 2025 race meet.

KTDF Advisory Committee
Kentucky Horse Racing and Gaming Corporation
4063 Ironworks Parkway
Lexington, KY 40511

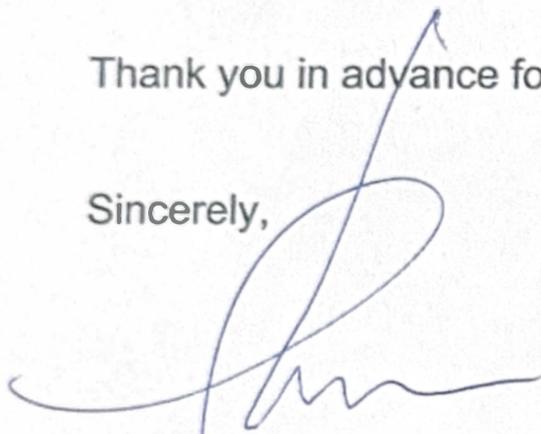
May 5, 2025

Chairman O'Conner,

Kentucky Downs respectfully requests the KTDF's approval to send \$2.25 million of KTDF monies to Ellis Park for their upcoming 2025 Summer racing season.

Thank you in advance for your assistance.

Sincerely,



Ted Nicholson
Vice President of Racing



May 5, 2025

KTDF Advisory Committee of the
Kentucky Horse Racing Commission
4063 Iron Works Parkway
Building B
Lexington, Kentucky 40511

Committee Members:

Ellis Park has reviewed our purses and would like to card KTDF purses in the range of \$7.0 million to \$8.0 million for our upcoming Summer Meet. We have based the range on the following information:

1. At the end of the 2024 race meet there was a KTDF surplus of \$332,826.
2. Since the end of August 2024, we have generated and expect to generate KTDF from the following sources through the end of August 2025:
 - a. Transfer of \$2.25 million from Kentucky Downs.
 - b. Transfer of \$1.75 million in KTDF funds from Oak Grove
 - c. Ellis Park and Owensboro historical racing machine contribution of \$3.4 million
3. Our summer meet will consist of 25 racing days beginning July 3, 2025 and ending Monday August 25, 2025.
4. We anticipate that KTDF will be approximately 41% of total purses. Of the requested KTDF allotment, we anticipate the following payouts:
 - a. ALW, AOC, MSW: approximately 71% of the KTDF allotment
 - b. BCL, CLM, MCL, STR, WMC: approximately 10% of the KTDF allotment
 - c. Stakes: approximately 19% of the KTDF allotment
5. For summer meet 2025, we are assuming a KTDF payout percentage of 95% with anticipated KTDF disbursements of \$7.4 million which is an increase from the \$5.7 million paid during the summer 2024 meet.
6. To encourage participation during the summer meet, we are again planning to pay KTDF purses from first to last to all eligible horses.

Please contact either of us should you have any questions or need additional information.

Sincerely,

Jasmine Bonnell

Jasmine Bonnell
Senior Director of Finance

Baley Hare
Racing Secretary



May 6, 2025

KTDF Advisory Committee of the Kentucky Horse Racing and Gaming Corporation
 4063 Iron Works Parkway
 Building B
 Lexington, Kentucky 40511

Committee Members:

The following information will be included in Ellis Park Condition Book related to the Kentucky Thoroughbred Development Fund (KTDF).

**Ellis Park
 KENTUCKY THOROUGHBRED DEVELOPMENT FUND (KTDF)
 ALLOCATION OF FUND BASED ON NUMBER OF STARTERS AND FINISH**

For those horses that are registered and eligible according to the condition listed above, fund monies will be divided as follows: 60% to the winner, 20% to the second, 10% to the third, 5% to the fourth, 3% to the fifth and the remaining 2% to be allocated among sixth through last based on the schedule below.

Finish	Number of Starters										
	5	6	7	8	9	10	11	12	13	14	
1st	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%	60.00%
2nd	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%	20.00%
3rd	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%	10.00%
4th	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%	5.00%
5th	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%	3.00%
6th		2.00%	1.00%	0.67%	0.50%	0.40%	0.34%	0.29%	0.25%	0.23%	
7th			1.00%	0.67%	0.50%	0.40%	0.34%	0.29%	0.25%	0.23%	
8th				0.66%	0.50%	0.40%	0.33%	0.29%	0.25%	0.22%	
9th					0.50%	0.40%	0.33%	0.29%	0.25%	0.22%	
10th						0.40%	0.33%	0.28%	0.25%	0.22%	
11th							0.33%	0.28%	0.25%	0.22%	
12th								0.28%	0.25%	0.22%	
13th									0.25%	0.22%	
14th										0.22%	
Total	<u>98.00%</u>	<u>100.00%</u>									



ELLIS PARK

RACING & GAMING

Example:

Date	Race	# of Starters	KTDF Offered									
6/25/2017	10	11	\$7,400.00									
		Finish										
		1st	2nd	3rd	4th	5th	6th	7th	8th	9th	10th	11th
KTDF:												
Eligible Payout	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes	Yes
	\$4,440.00	\$1,480.00	\$740.00	\$370.00	\$222.00	\$25.16	\$25.16	\$0.00	\$24.42	\$24.42	\$24.42	\$24.42
		KTDF Reverts										
		\$24.42										

Example: Dead Heat for 2nd between an eligible and non-eligible horse using the above example.

	2nd	3rd	Total	
KTDF:				
Payout	\$1,480.00	\$740.00	\$2,220.00	---> Eligible horse would receive 50% of the Total for 2nd and 3rd pla
		KTDF Payout		
		\$1,110.00		
		KTDF Reverts		
		\$1,110.00		

THE KENTUCKY THOROUGHBRED DEVELOPMENT FUND (KTDF)

Given several years of robust business during the period beginning 2019 through May 2025, state-of-the-art historical racing machines have generated KTDF for Horsemen with Kentucky-sired Kentucky-breds to run for in designated stakes, handicap, allowance, non-claiming maiden races, and claiming races contested at licensed Thoroughbred race meetings in Kentucky.

Eligible races can be readily recognized in the stakes and condition books by the Kentucky Thoroughbred Development Fund seal, which will appear next to each race in the stakes and condition books.

In accordance with KRS 230.400(5) (d), it is mandatory for a horse to be registered prior to time of entry to be eligible to participate in the distribution of Kentucky Thoroughbred Development Fund monies. Registration is only complete once the application is approved and payment has been received.

All horses of racing age that are both Kentucky-bred and sired by a Kentucky stallion which stood in Kentucky the entire breeding season the year the horse was conceived are eligible to be registered. Owners of horses of racing age are responsible for registering their horses. Stallion owners are responsible for registering their stallions.

Registration applications may be obtained from the official registrar, the Kentucky Thoroughbred Owners and Breeders, by contacting:

Mrs. Jenny McGaughey, Registrar
 Kentucky Thoroughbred Owners and Breeders
 4079 Iron Works Parkway
 Lexington, Kentucky 40511



ELLIS PARK

RACING & GAMING

Phone: **859-259-1643**

Mobile: **859-361-6002**

Registration may be completed online at www.kta-ktob.com. The Horse Identifier can check registration status of a horse.

For those horses that are registered and eligible according to the conditions listed above, fund monies will be divided as follows:

60%.....to the winner
20%.....to second
10%.....to third
5%.....to fourth
3%.....to fifth

Remaining 2% divided among the starters based on the schedule listed above.

Unearned fund monies revert to the Kentucky Thoroughbred Development Fund. Additionally, if a non-KTDF eligible horse is involved in a dead heat, those funds will revert to the fund.

PLEASE NOTE: ALL KTDF PURSE ALLOTMENTS CONTAINED HEREIN ARE SUBJECT TO KHRC APPROVAL.

If you have any questions or need additional information, please reach out to.

Sincerely,

Jasmine Bonnell

Jasmine Bonnell
Senior Director of finance

Baley Hare

Baley Hare
Racing Secretary

CHURCHILL DOWNS INCORPORATED



- Ellis Park requests up to \$115,000 of KTDF funds to be used for advertising purposes during the 2025 Summer Meet
- FanDuel - \$60,000
- Ellis Park On Track Marketing - \$40,000
- Horse Racing Radio Network - \$7,500
- Horse Racing Nation - \$7,500

Ellis Park KTDF Advertising Request	
Expense	Cost
Fanduel Broadcast	\$60,000
Ellis Park On Track Marketing	\$40,000
Horse Racing Radio Network	\$7,500
Horse Racing Nation	\$7,500
Total	\$115,000

CHURCHILL DOWNS INCORPORATED

- ❑ In 2024, Ellis Park used KTDF funding to ensure FanDuel provided onsite coverage of all of Ellis' race days
 - Ellis Park's 2024 meet saw handle rise to \$72m up 20% from the \$60m in 2023
- ❑ FanDuel highlights the racing product, the purse levels and often interviews Kentucky based horsemen competing at Ellis Park. This keeps Kentucky racing top of mind throughout the summer.



\$2 million in purses on the line this weekend at Ellis Park!



3:42 PM · 7/30/24 · 2.5K Views



"If you have not looked at the Ellis Park card, you have to look at it today!" @Gabby_Gaudet_ talks us through an exciting card at Ellis Park.



12:44 PM · 8/11/24 · 3.5K Views

CHURCHILL DOWNS

INCORPORATED

- ❑ Similarly to Turfway Park, Ellis Park has recently rolled out the pari-mutuel player rewards program that ties together wagering on Ellis Park's live racing with historical horse racing
- ❑ Ellis Park would like to use \$40,000 of KTDF advertising to help promote the new player rewards program as well as on track experiences at Ellis Park
 - \$25,000 radio advertisements to support live racing at Ellis Park
 - \$15,000 in promotional giveaway items during the Ellis Park racing season
- ❑ During the winter, Turfway Park implemented a similar rewards program for pari-mutuel wagering customers
 - Just during the meet, 508 unique customers placed a pari-mutuel wager totaling \$213k in wagers on Turfway Park's races
 - 124 of these customers were new HRM customers and previously not in the Turfway Park database. Those customers accounted for \$21k in live bets on Turfway Park and nearly \$200k in historical horse racing handle.
- ❑ Ellis would also like to spend \$7,500 each with Horse Racing Radio Network and Horse Racing Nation to continue their coverage of Ellis Park racing



Andy Beshear
GOVERNOR

Jamie Eads
PRESIDENT & CEO

Jacqueline Coleman
LIEUTENANT GOVERNOR

KENTUCKY HORSE RACING & GAMING CORPORATION

4047 Iron Works Parkway
Lexington, KY 40511
Phone: (859) 246-2040
Fax: (859) 246-2039

Jonathan Rabinowitz
CHAIRMAN

TO: Kentucky Horse Racing and Gaming Corporation
FROM: Susan B. Speckert, Chief Operating Officer
DATE: May 13, 2025
RE: **REQUEST TO PROCURE INDEPENDENT AUDIT SERVICES FOR FISCAL YEAR 2025**

Pursuant to SB 299, KHRGC shall conduct an annual audit. In discussions with the offices of the Auditor of Public Accounts (APA) and the Controller, there was some confusion about when the first audit would occur. During the 2025 General Assembly session, HB 566 provided that the first audit would be for FY 26. However, HB 775 made clear that the first audit is to be for the current fiscal year, FY 25. Since we are a component unit of the Commonwealth, the Controller was concerned that failure to conduct an audit this fiscal year could impact the Commonwealth's bond rating.

The APA has declined to perform the audit for FY 25 and indicated it is unable to contract with an outside firm due to previous commitments and time constraints. The APA has authorized KHRGC to contract directly with an outside firm to perform the audit.

Pursuant to KHRGC Procurement Procedures adopted by the Board on April 22nd, "Noncompetitive negotiations may be used to purchase ... services when the President or his/her designee makes a written determination that competition is not feasible or practicable." In order to meet the deadlines of the Controller, audit work must begin in May. Given the time constraints, it is not feasible to bid the audit work.

However, in order to ensure transparency and fairness, we asked for recommendations from the offices of the Controller and the APA for firms that had gone through the public bid process. Cherry Bekaert was recommended as they have been selected following a public bid process many times, including by the APA to perform independent audits of Lottery. Additionally, they have been selected following a public bid process by other quasi-governmental organizations, including the Kentucky Court of Justice, Kentucky State Fair Board, Kentucky Higher Education Authority, and the Kentucky Economic Development Authority among others.

Cherry Bekaert has provided a quote of \$41,343.75, plus reimbursement for allowable out-of-pocket expenses, which is consistent with or lower than other reviewed independent audit contracts.

Upon approval, the contract will be filed with the Government Contract Review Committee of the Legislative Research Commission.

Pursuant to the KHRGC Procurement Procedures adopted by the Board on April 22, 2025, a request for written determination to proceed with a Noncompetitive Negotiation process to retain Cherry

Bekaert for auditing services for a total contract price of \$45,000 for FY 25 was requested and approved by President Eads for the following reasons:

- There is not sufficient time to issue an RFP
- Cherry Bekaert was recommended by the offices of the Controller and Auditor
- Cherry Bekaert has current contracts with the Commonwealth to perform independent audits pursuant to a public bid process
- Cherry Bekaert has experience conducting audits of other quasi-governmental, non-major component units of the Commonwealth, such as Lottery
- The quote of \$41,343.71, plus reimbursement of allowable out-of-pocket expenses, is consistent with or less than other contracts for auditing services for non-major component units

No renewals are included in the contract. If the APA determines that KHRGC should hire its own independent auditing firm directly next fiscal year, or in future years, an RFP will be issued.

The request was considered and approved for recommendation to the Board by the Finance Committee at its May 7th meeting.

For the above reasons, approval is requested.

KHRGC staff recommends approval.

BOARD ACTION

_____ Approve

_____ Defer

_____ Deny

KENTUCKY HORSE RACING & GAMING CORPORATION
PROPOSED FY26 BUDGET

KENTUCKY HORSE RACING & GAMING CORPORATION: FY26 BUDGET PROPOSAL

Description	Actual FY25 - Mar	Actual FY24 (1)	Total FY26	Administration	Equine Drug Research Fund	Thoroughbred Development Fund	Standardbred Development Fund	Standardbred Horsemen's Fees	KY Quarter Horse Development Fund	County Fair Purse Fund	Backside Improvement Commission	KY Thoroughbred Breeder Incentive Fund	KY Standardbred Breeder Incentive Fund	KY Horse Breeders Incentive Fund	Equine Aftercare & Management Internship Programs	Charitable Gaming
				374R	374B	374D	374E	374F	374G	374H	374J	374L	374M	374N	374T	381A
REVENUE																
PROGRAM REVENUE	76,837,460	116,362,464	105,663,555	13,460,300	550,000	47,500,000	14,250,000	1,000,000	2,550,000	55,000	40,000	16,250,000	2,200,000	1,287,500	500,000	6,020,755
KY GENERAL FUND ALLOTMENT	2,896,038	3,974,200	3,771,200	3,771,200	0	0	0	0	0	0	0	0	0	0	0	0
CURRENT YEAR REVENUE	79,733,499	120,336,664	109,434,755	17,231,500	550,000	47,500,000	14,250,000	1,000,000	2,550,000	55,000	40,000	16,250,000	2,200,000	1,287,500	500,000	6,020,755
EXPENDITURES																
PERSONNEL COSTS	8,745,132	11,464,213	14,417,354	10,725,330	437,965	0	0	0	0	0	0	0	0	0	0	3,254,059
OPERATING EXPENSES	1,908,614	2,814,900	4,541,815	3,258,377	25,000	0	0	0	0	2,000	0	0	0	0	0	1,256,438
DEVELOPMENT & INCENTIVE FUNDS	85,707,580	78,796,867	104,025,006	0	0	47,100,000	27,988,106	615,600	15,000	53,000	500,000	23,038,300	2,340,000	1,875,000	500,000	0
CAPITAL OUTLAY	48,166	258,633	400,000	150,000	0	0	0	0	0	0	0	0	0	0	0	250,000
TOTAL CURRENT YEAR EXPENDITURES	96,409,492	93,334,613	123,384,175	14,133,707	462,965	47,100,000	27,988,106	615,600	15,000	55,000	500,000	23,038,300	2,340,000	1,875,000	500,000	4,760,497
CURRENT YEAR NET REVENUE	(16,675,993)	27,002,051	(13,949,420)	3,097,793	87,035	400,000	(13,738,106)	384,400	2,535,000	0	(460,000)	(6,788,300)	(140,000)	(587,500)	0	1,260,258
Estimated Beginning Fund Balance Available	123,123,952	96,121,900	127,400,000	4,000,000	1,500,000	45,000,000	26,000,000	1,500,000	2,500,000	0	900,000	26,000,000	8,000,000	3,000,000	500,000	8,000,000
Estimated Ending Fund Balance Available	106,447,958	123,123,952	113,450,580	7,097,793	1,587,035	45,400,000	12,261,894	1,884,400	5,035,000	0	440,000	19,211,700	7,860,000	2,412,500	500,000	9,260,258

Notes

(1) The actual results for FY24 include a high volume of initial sports wagering licensing fees that will not be duplicated in FY25 or FY26.

License Type	Number of Licenses	Initial Fee	Total Per License Type
Operator	8	\$500,000.00	\$ 4,000,000.00
Service Provider	9	\$ 50,000.00	\$ 450,000.00
ISP	33	\$ 5,000.00	\$ 165,000.00
Key	151	\$ 1,500.00	\$ 226,500.00
RSB	527	\$ 150.00	\$ 79,050.00
	<u>728</u>		<u>\$ 4,920,550.00</u>

DETAIL OF FY26 BUDGET PROPOSAL
BY FUND
REVENUE & EXPENDITURES

374R ADMINISTRATION

Description	Amount
REVENUE	
General Assessments	2,900,000
License Related Fees (1)	3,212,800
General Fees From Public	20,000
Fines	25,000
Interest Income	15,000
Admin Allocation (2)	7,287,500
Commonwealth General Allotment	3,771,200
CURRENT YEAR REVENUE	17,231,500

Notes

- (1) Includes Sports Wagering licensing fees.
- (2) Includes 10% of Sports Wagering wagers and 5% of development & incentive fund tax assessments.
- (3) Estimated at 35% of compensation per historical and projected experience.
- (4) Estimated at average annual \$12,000/FTE.
- (5) Includes contracts with Dean Dorton for accounting, HR/payroll, technology; includes services charges for Commonwealth services & database maintenance (excluding COT).
- (6) Includes compensation study.
- (7) Includes phones, network, KBIF website hosting, and computers.

Description	Amount
EXPENDITURES	
Personnel Costs	
Regular Salaries and Wages	5,849,507
Seasonal Salaries and Wages	997,905
Overtime & Differentials	155,000
Employer Taxes	535,685
Retirement & Compensated Absences (3)	2,450,844
Employers Health Insurance (4)	660,000
Employers Life Insurance	1,375
Workers' Compensation	35,012
Unemployment Compensation	7,002
Employee Training	25,000
Uniforms	8,000
TOTAL PERSONNEL COSTS	10,725,330
Operating Expenses	
Legal Services	66,667
Audit Services	46,667
Business Process Services (5)	1,119,867
Court Reporters	7,500
Lab Tests & Analysis Fees	10,000
Temporary Manpower Services	50,000
Building Rental	87,010
Equipment Rental	15,000
Managed Print Services	15,000
Equipment Maintenance	5,000
Vehicle Maintenance	15,000
Business Applications Software Maintenance	50,000
Security Software Maintenance	500
Postage and Postage Meters	10,000
Freight & Post Office Services	3,500
Business Insurance Premiums	400,000
Advertising	225,000
Other Professional Services (6)	31,667
Mobile Phone Charges	25,000
GPS Device Services	7,500
Commonwealth Office of Technology Services (7)	400,000
Office Supplies	23,333
Other Overhead Supplies	3,500
Program & Medical Supplies	54,000
Vehicle Supplies & Parts	50,000
Furniture & Equipment Under \$5,000	105,000
In-State Travel	350,000
Out-Of-State Travel	25,000
Subscriptions & Dues	20,000
Banking & Credit Card Fees	26,667
Promotional Entertainment Expenses	10,000
TOTAL OPERATING EXPENSES	3,258,377
Capital Outlay	
Motor Vehicles	150,000
TOTAL CAPITAL OUTLAY	150,000
TOTAL CURRENT YEAR EXPENDITURES	14,133,707

374B EQUINE DRUG RESEARCH FUND

Description	Amount
-------------	--------

REVENUE

Tax Assessments	550,000
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CURRENT YEAR REVENUE	550,000
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EXPENDITURES**Personnel Costs**

Regular Salaries and Wages	284,946
Overtime & Differentials	4,000
Employers Fica	22,104
Retirement & Compensated Absences	101,131
Employers Health Insurance	24,000
Employers Life Insurance	50
Workers' Compensation	1,445
Unemployment Compensation	289

TOTAL PERSONNEL COSTS	437,965
------------------------------	----------------

Operating Expenses

Business Process Services	25,000
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TOTAL OPERATING EXPENSES	25,000
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TOTAL CURRENT YEAR EXPENDITURES	462,965
----------------------------------------	----------------

381A CHARITABLE GAMING

Description	Amount
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REVENUE

DCG Financial Reporting Fees	5,570,266
DCG License Application Fees	102,630
DCG Initial License Fee	133,975
DCG Renewal License Fee	166,946
Fines	46,937

CURRENT YEAR REVENUE	6,020,755
-----------------------------	------------------

EXPENDITURES**Personnel Costs**

Regular Salaries and Wages	2,000,000
Overtime & Differentials	1,156
Employers Fica	153,088
Retirement & Compensated Absences	700,404
Employers Health Insurance	384,000
Employers Life Insurance	800
Workers' Compensation	10,006
Unemployment Compensation	2,001
Employee Training	2,603

TOTAL PERSONNEL COSTS	3,254,059
------------------------------	------------------

Operating Expenses

Legal Services	33,333
Audit Services	23,333
Business Process Services	559,933
Building Rental	43,505
Managed Print Services	10,000
Vehicle Maintenance	45,000
Business Applications Software Maintenance	25,000
Postage and Postage Meters	5,000
Freight & Post Office Services	3,000
Business Insurance Premiums	200,000
Other Professional Services	13,333
Mobile Phone Charges	12,000
GPS Device Services	3,000
Commonwealth Office of Technology Services	200,000
Office Supplies	11,667
Vehicle Supplies & Parts	25,000
Furniture & Equipment Under \$5,000	15,000
In-State Travel	10,000
Out-Of-State Travel	5,000
Banking & Credit Card Fees	13,333

TOTAL OPERATING EXPENSES	1,256,438
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Capital Outlay

Motor Vehicles	250,000
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TOTAL CAPITAL OUTLAY	250,000
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TOTAL CURRENT YEAR EXPENDITURES	4,760,497
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OTHER RESTRICTED FUNDS

	Thoroughbred Development Fund	Standardbred Development Fund	Standardbred Horsemen's Fees	KY Quarter Horse Development Fund	County Fair Purse Fund	Backside Improvement Commission	KY Thoroughbred Breeder Incentive Fund	KY Standardbred Breeder Incentive Fund	KY Horse Breeders Incentive Fund	Sports Wagering Administration Fund	Equine Aftercare & Management Internship Programs
Description	374D	374E	374F	374G	374H	374J	374L	374M	374N	374S	374T
REVENUE											
Pari-Mutual Aftercare Facility	0	0	0	0	0	0	0	0	0	0	250,000
Equine Management Internship	0	0	0	0	0	0	0	0	0	0	250,000
Registration/Filing Fee	0	0	1,000,000	0	15,000	0	1,000,000	0	0	0	0
Interest Income	0	0	0	175,000	0	40,000	1,000,000	300,000	100,000	0	0
Unclaimed Tickets	0	0	0	0	40,000	0	0	0	0	0	0
Tax Assessments	50,000,000	15,000,000	0	2,500,000	0	0	15,000,000	2,000,000	1,250,000	3,000,000	0
Admin Allocation	(2,500,000)	(750,000)	0	(125,000)	0	0	(750,000)	(100,000)	(62,500)	(3,000,000)	0
CURRENT YEAR REVENUE	47,500,000	14,250,000	1,000,000	2,550,000	55,000	40,000	16,250,000	2,200,000	1,287,500	0	500,000
EXPENDITURES											
Operating Expenses											
Advertising	0	0	0	0	2,000	0	0	0	0	0	0
TOTAL OPERATING EXPENSES	0	0	0	0	2,000	0	0	0	0	0	0
Development & Incentive Funds											
Development & Incentive Awards (1)	47,100,000	27,988,106	615,600	15,000	53,000	500,000	23,038,300	2,340,000	1,875,000	0	500,000
TOTAL DEVELOPMENT & INCENTIVE FUNDS	47,100,000	27,988,106	615,600	15,000	53,000	500,000	23,038,300	2,340,000	1,875,000	0	500,000
TOTAL CURRENT YEAR EXPENDITURES	47,100,000	27,988,106	615,600	15,000	55,000	500,000	23,038,300	2,340,000	1,875,000	0	500,000

Notes

(1) FY26 awards include distribution of revenue recognized in FY25 as well as portions of FY26.

KENTUCKY HORSE RACING & GAMING CORPORATION: FY26 BUDGET PROPOSAL

	Administration	Equine Drug Research Fund	Painted, Appaloosa & Arabian Development Fund	Thoroughbred Development Fund	Standardbred Development Fund	Standardbred Horsemens Fees	KY Quarter Horse Development Fund	County Fair Purse Fund	Backside Improvement Commission	KY Thoroughbred Breeder Incentive Fund	KY Standardbred Breeder Incentive Fund	KY Horse Breeders Incentive Fund	Sports Wagering Administration Fund	Equine Aftercare & Management Internship Programs	Charitable Gaming	Total
Description	374R	374B	374C	374D	374E	374F	374G	374H	374J	374L	374M	374N	374S	374T	381A	Total
REVENUE																
Pari-Mutual Aftercare Facility	0	0	0	0	0	0	0	0	0	0	0	0	0	250,000	0	250,000
Equine Management Internship	0	0	0	0	0	0	0	0	0	0	0	0	0	250,000	0	250,000
General Assessments	2,900,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	2,900,000
Registration/Filing Fee	0	0	0	0	0	1,000,000	0	15,000	0	1,000,000	0	0	0	0	0	2,015,000
DCG Financial Reporting Fees															5,570,266	5,570,266
License Related Fees	3,212,800	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,212,800
DCG License Application Fees															102,630	102,630
DCG Initial License Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	133,975	133,975
DCG Renewal License Fee	0	0	0	0	0	0	0	0	0	0	0	0	0	0	166,946	166,946
General Fees From Public	20,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	20,000
Fines	25,000	0	0	0	0	0	0	0	0	0	0	0	0	0	46,937	71,937
Interest Income	15,000	0	0	0	0	0	175,000	0	40,000	1,000,000	300,000	100,000	0	0	0	1,630,000
Unclaimed Tickets	0	0	0	0	0	0	0	40,000	0	0	0	0	0	0	0	40,000
Tax Assessments	0	550,000	0	50,000,000	15,000,000	0	2,500,000	0	0	15,000,000	2,000,000	1,250,000	3,000,000	0	0	89,300,000
Admin Allocation	7,287,500	0	0	(2,500,000)	(750,000)	0	(125,000)	0	0	(750,000)	(100,000)	(62,500)	(3,000,000)	0	0	0
Commonwealth General Allotment	3,771,200	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,771,200
CURRENT YEAR REVENUE	17,231,500	550,000	0	47,500,000	14,250,000	1,000,000	2,550,000	55,000	40,000	16,250,000	2,200,000	1,287,500	0	500,000	6,020,755	109,434,755
EXPENDITURES																
Personnel Costs																
Regular Salaries and Wages	5,849,507	284,946	0	0	0	0	0	0	0	0	0	0	0	0	2,000,000	8,134,453
Seasonal Salaries and Wages	997,905	0	0	0	0	0	0	0	0	0	0	0	0	0	0	997,905
Overtime & Differentials	155,000	4,000	0	0	0	0	0	0	0	0	0	0	0	0	1,156	160,156
Employers Fica	535,685	22,104	0	0	0	0	0	0	0	0	0	0	0	0	153,088	710,877
Retirement & Compensated Absences	2,450,844	101,131	0	0	0	0	0	0	0	0	0	0	0	0	700,404	3,252,380
Employers Health Insurance	660,000	24,000	0	0	0	0	0	0	0	0	0	0	0	0	384,000	1,068,000
Employers Life Insurance	1,375	50	0	0	0	0	0	0	0	0	0	0	0	0	800	2,225
Workers' Compensation	35,012	1,445	0	0	0	0	0	0	0	0	0	0	0	0	10,006	46,463
Unemployment Compensation	7,002	289	0	0	0	0	0	0	0	0	0	0	0	0	2,001	9,293
Employee Training	25,000	0	0	0	0	0	0	0	0	0	0	0	0	0	2,603	27,603
Uniforms	8,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	8,000
TOTAL PERSONNEL COSTS	10,725,330	437,965	0	0	0	0	0	0	0	0	0	0	0	0	3,254,059	14,417,354

KENTUCKY HORSE RACING & GAMING CORPORATION: FY26 BUDGET PROPOSAL

	Administration	Equine Drug Research Fund	Painted, Appaloosa & Arabian Development Fund	Thoroughbred Development Fund	Standardbred Development Fund	Standardbred Horsemens Fees	KY Quarter Horse Development Fund	County Fair Purse Fund	Backside Improvement Commission	KY Thoroughbred Breeder Incentive Fund	KY Standardbred Breeder Incentive Fund	KY Horse Breeders Incentive Fund	Sports Wagering Administration Fund	Equine Aftercare & Management Internship Programs	Charitable Gaming	Total
Description	374R	374B	374C	374D	374E	374F	374G	374H	374J	374L	374M	374N	374S	374T	381A	Total
Operating Expenses																
Legal Services	66,667	0	0	0	0	0	0	0	0	0	0	0	0	0	33,333	100,000
Audit Services	46,667	0	0	0	0	0	0	0	0	0	0	0	0	0	23,333	70,000
Business Process Services	1,119,867	25,000	0	0	0	0	0	0	0	0	0	0	0	0	559,933	1,704,800
Court Reporters	7,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	7,500
Security Guard Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Lab Tests & Analysis Fees	10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,000
Temporary Manpower Services	50,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	50,000
Building Rental	87,010	0	0	0	0	0	0	0	0	0	0	0	0	0	43,505	130,515
Equipment Rental	15,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	15,000
Vehicle Rental	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Managed Print Services	15,000	0	0	0	0	0	0	0	0	0	0	0	0	0	10,000	25,000
Equipment Maintenance	5,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	5,000
Vehicle Maintenance	15,000	0	0	0	0	0	0	0	0	0	0	0	0	0	45,000	60,000
Business Applications Software Maintenance	50,000	0	0	0	0	0	0	0	0	0	0	0	0	0	25,000	75,000
Security Software Maintenance	500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	500
Postage and Postage Meters	10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	5,000	15,000
Freight & Post Office Services	3,500	0	0	0	0	0	0	0	0	0	0	0	0	0	3,000	6,500
Business Insurance Premiums	400,000	0	0	0	0	0	0	0	0	0	0	0	0	0	200,000	600,000
Advertising	225,000	0	0	0	0	0	0	2,000	0	0	0	0	0	0	0	227,000
Other Professional Services	26,667	0	0	0	0	0	0	0	0	0	0	0	0	0	13,333	40,000
Mobile Phone Charges	25,000	0	0	0	0	0	0	0	0	0	0	0	0	0	12,000	37,000
GPS Device Services	7,500	0	0	0	0	0	0	0	0	0	0	0	0	0	3,000	10,500
Commonwealth Office of Technology Services	400,000	0	0	0	0	0	0	0	0	0	0	0	0	0	200,000	600,000
Office Supplies	23,333	0	0	0	0	0	0	0	0	0	0	0	0	0	11,667	35,000
Other Overhead Supplies	3,500	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,500
Program & Medical Supplies	54,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	54,000
Vehicle Supplies & Parts	50,000	0	0	0	0	0	0	0	0	0	0	0	0	0	25,000	75,000
Furniture & Equipment Under \$5,000	105,000	0	0	0	0	0	0	0	0	0	0	0	0	0	15,000	120,000
In-State Travel	350,000	0	0	0	0	0	0	0	0	0	0	0	0	0	10,000	360,000
Out-Of-State Travel	25,000	0	0	0	0	0	0	0	0	0	0	0	0	0	5,000	30,000
Subscriptions & Dues	25,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	25,000
Banking & Credit Card Fees	26,667	0	0	0	0	0	0	0	0	0	0	0	0	0	13,333	40,000
Promotional Entertainment Expenses	10,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	10,000
TOTAL OPERATING EXPENSES	3,258,377	25,000	0	0	0	0	0	2,000	0	0	0	0	0	0	1,256,438	4,541,815

KENTUCKY HORSE RACING & GAMING CORPORATION: FY26 BUDGET PROPOSAL

	Administration	Equine Drug Research Fund	Painted, Appaloosa & Arabian Development Fund	Thoroughbred Development Fund	Standardbred Development Fund	Standardbred Horsemens Fees	KY Quarter Horse Development Fund	County Fair Purse Fund	Backside Improvement Commission	KY Thoroughbred Breeder Incentive Fund	KY Standardbred Breeder Incentive Fund	KY Horse Breeders Incentive Fund	Sports Wagering Administration Fund	Equine Aftercare & Management Internship Programs	Charitable Gaming	Total
Description	374R	374B	374C	374D	374E	374F	374G	374H	374J	374L	374M	374N	374S	374T	381A	Total
Development & Incentive Funds																
Development & Incentive Awards	0	0	0	47,100,000	27,988,106	615,600	15,000	53,000	500,000	23,038,300	2,340,000	1,875,000	0	500,000	0	104,025,006
TOTAL DEVELOPMENT & INCENTIVE FUNDS	0	0	0	47,100,000	27,988,106	615,600	15,000	53,000	500,000	23,038,300	2,340,000	1,875,000	0	500,000	0	104,025,006
Capital Outlay																
Motor Vehicles	150,000	0	0	0	0	0	0	0	0	0	0	0	0	0	250,000	400,000
TOTAL CAPITAL OUTLAY	150,000	0	0	0	0	0	0	0	0	0	0	0	0	0	250,000	400,000
TOTAL CURRENT YEAR EXPENDITURES	14,133,707	462,965	0	47,100,000	27,988,106	615,600	15,000	55,000	500,000	23,038,300	2,340,000	1,875,000	0	500,000	4,760,497	123,384,175
CURRENT YEAR NET REVENUE	3,097,793	87,035	0	400,000	(13,738,106)	384,400	2,535,000	0	(460,000)	(6,788,300)	(140,000)	(587,500)	0	0	1,260,258	(13,949,420)
Beginning Fund Balance Available	4,000,000	1,500,000	500,000	45,000,000	26,000,000	1,500,000	2,500,000	0	900,000	26,000,000	8,000,000	3,000,000	0	500,000	8,000,000	127,400,000
Ending Fund Balance Available	7,097,793	1,587,035	500,000	45,400,000	12,261,894	1,884,400	5,035,000	0	440,000	19,211,700	7,860,000	2,412,500	0	500,000	9,260,258	113,450,580